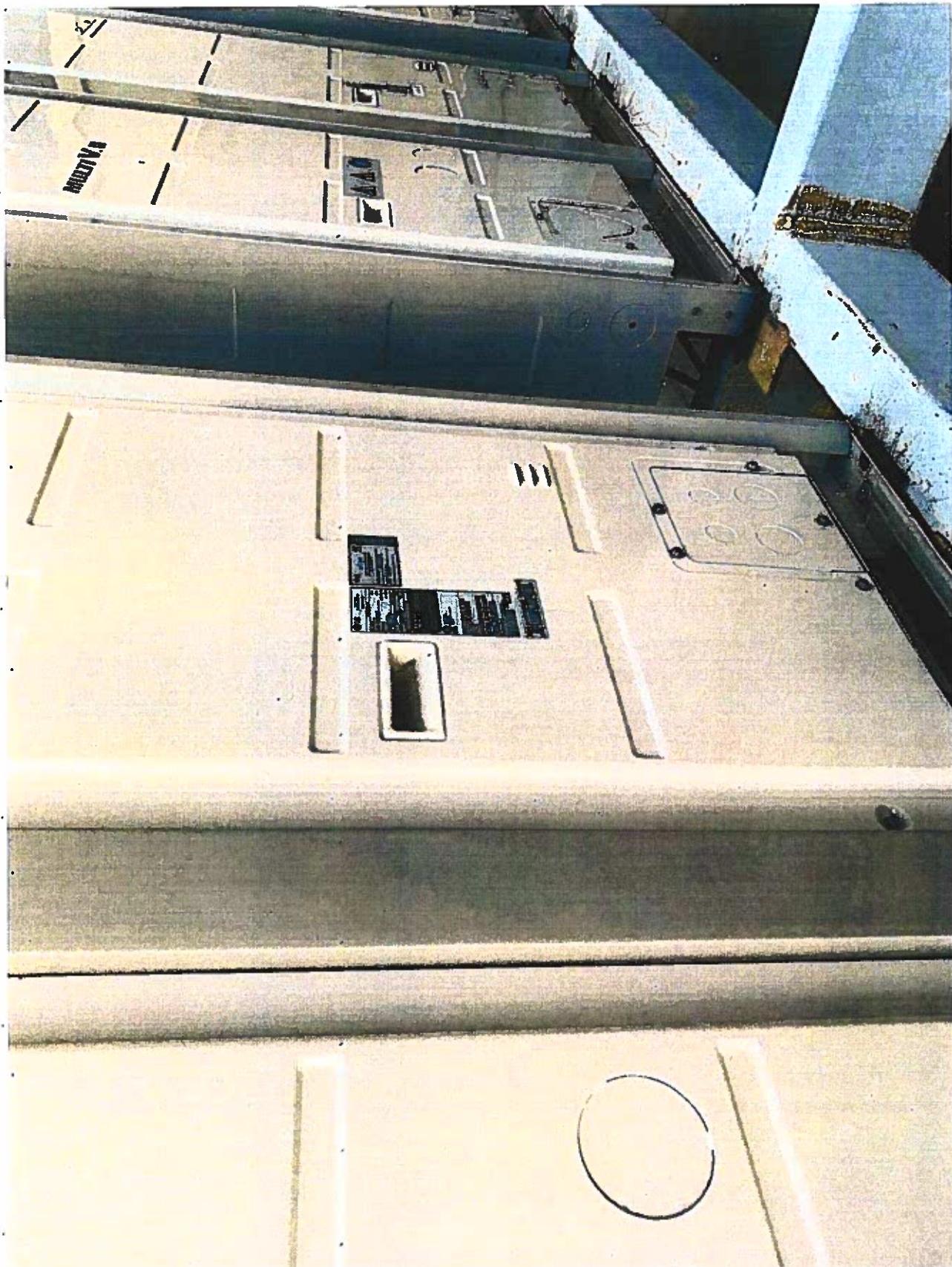


# **EXHIBIT 20**

HVAC EQUIPMENT INSTALLED ON THE ROOF

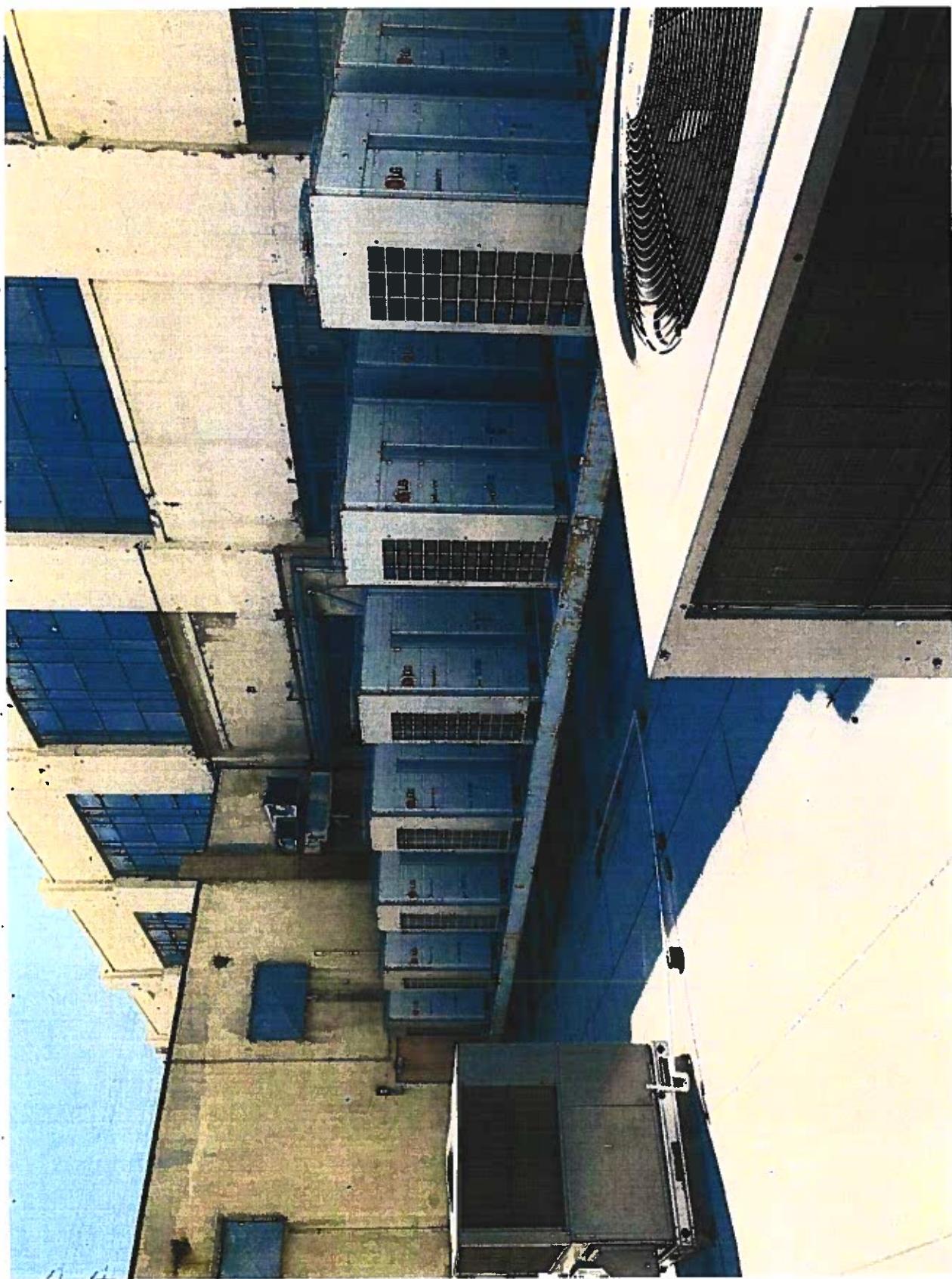


HVAC EQUIPMENT INSTALLED ON THE ROOF

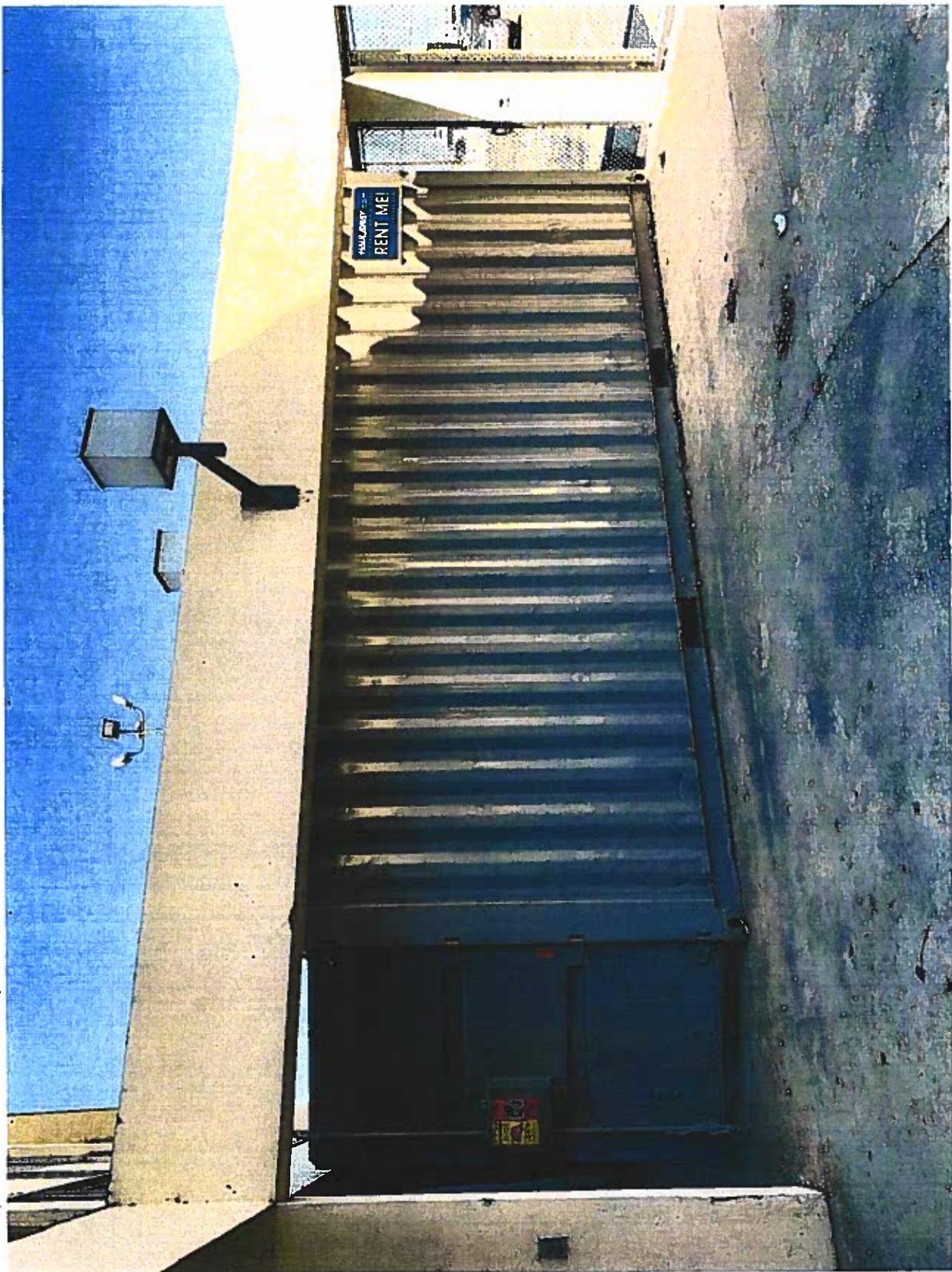


# **EXHIBIT 21**

HVAC EQUIPMENT INSTALLED ON THE ROOF



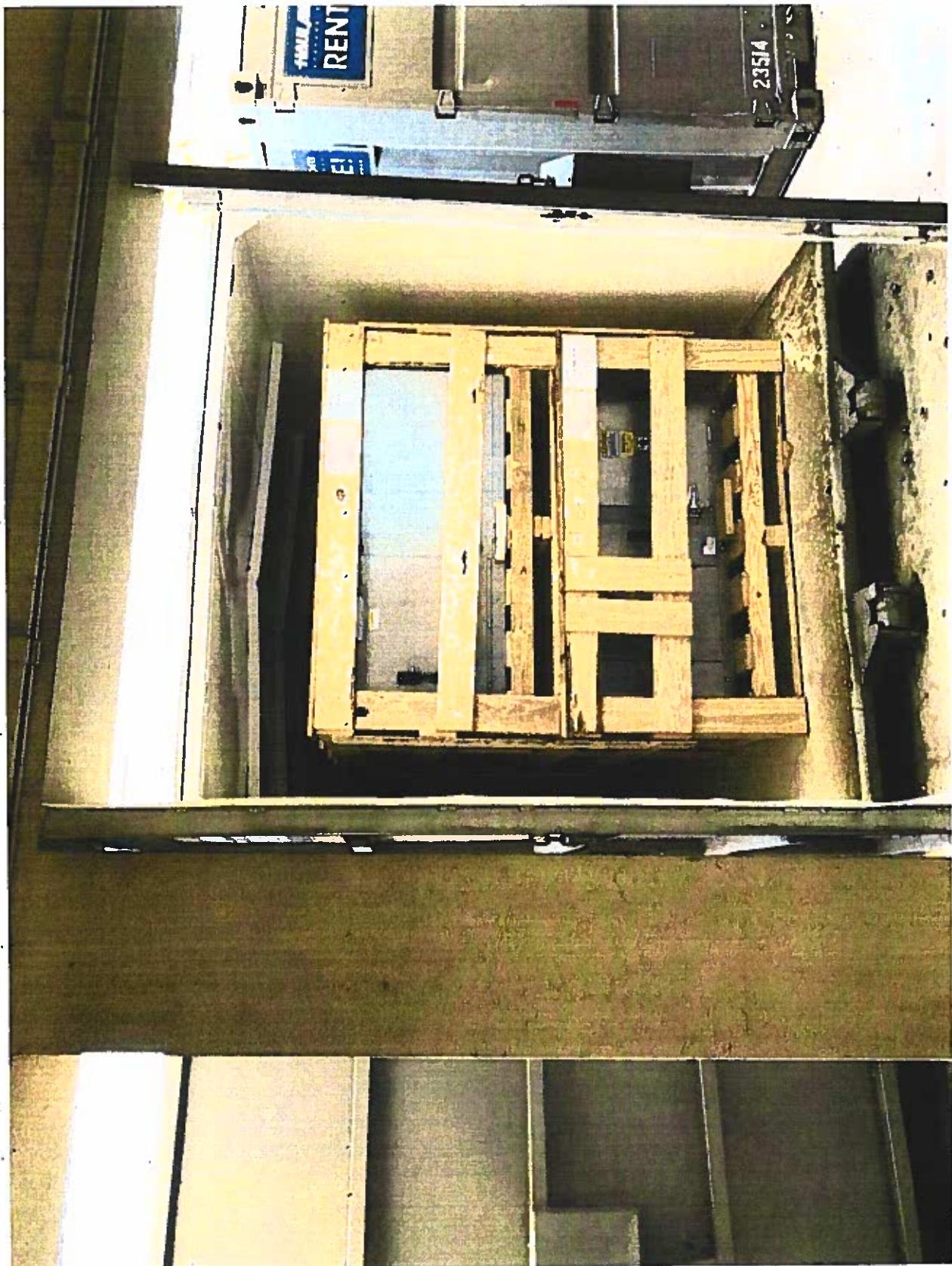
HVAC EQUIPMENT STORED ON PREMISES WAITING TO BE INSTALLED



HVAC EQUIPMENT STORED ON PREMISES WAITING TO BE INSTALLED



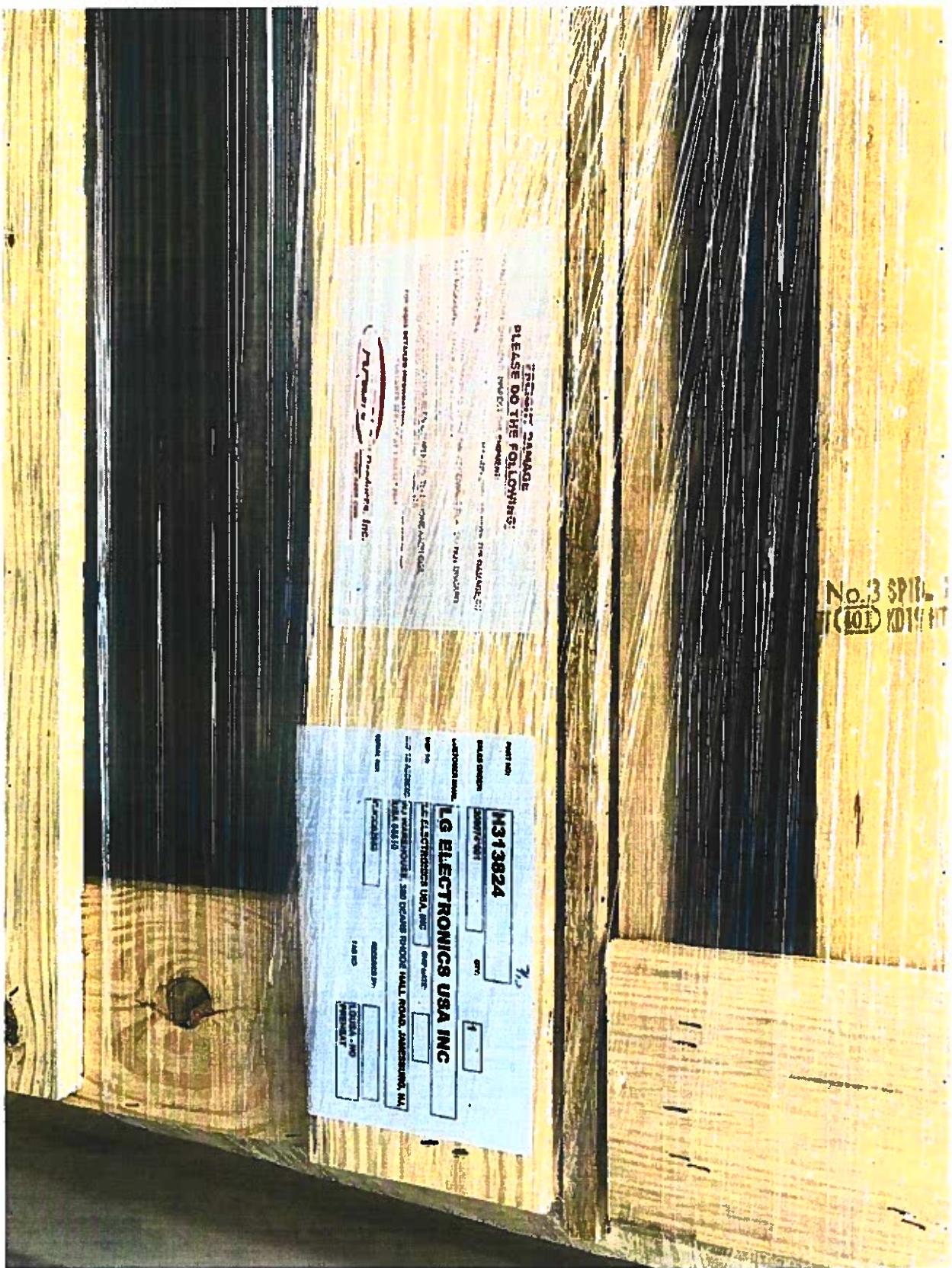
HVAC EQUIPMENT STORED ON PREMISES WAITING TO BE INSTALLED



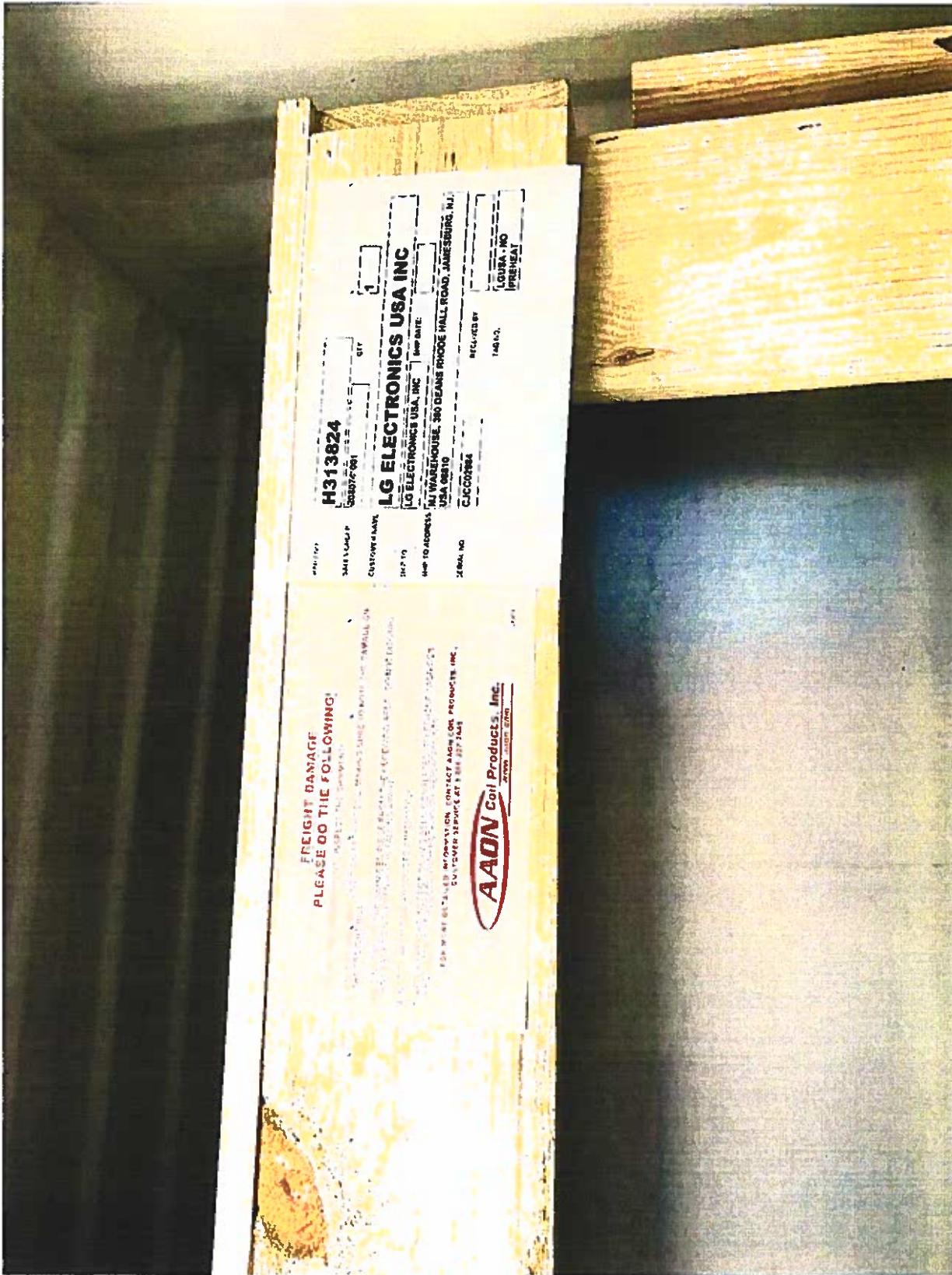
HVAC EQUIPMENT STORED ON PREMISES WAITING TO BE INSTALLED



HVAC EQUIPMENT STORED ON PREMISES WAITING TO BE INSTALLED



HVAC EQUIPMENT STORED ON PREMISES WAITING TO BE INSTALLED



HVAC EQUIPMENT STORED ON PREMISES WAITING TO BE INSTALLED



# **EXHIBIT 22**

# East River Group LLC

724 S. Spring St., #802 Los Angeles, CA 90014  
Tel# (213) 623-3800 Fax# (213) 534-8625

September 25, 2018

**VIA Certified Mail: 7018 0360 0001 1098 4679 / Return Receipt Requested**

Sears, Roebuck and Co.  
3333 Beverly Road  
Hoffman Estates, Illinois 60179

**RE: NOTICE OF CONSTRUCTION**

Dear Mr Steven Velkel,

It was great meeting with you last week. Based on our meeting on September 21st, 2018, we would like to provide you with more information and dates in regards to the construction process and timeline for the Sears Building and the Sears Store. Hopefully, permits will be pulled in November 2018 and construction will start immediately after that.

*Attached is a site map that shows how we will be staging and phasing the construction as well as ways to avoid interfering with the Sears Store. The sitemap includes:*

1. The area in red is where the construction will begin at the 1964 portion of the Building once permits are pulled
2. The area in green will be fenced off and will be part of our staging during the life of the construction
3. The area in blue refers to the area we will need to use from time to time (dates are tentative), during the construction that will not interfere during Sears business hours. If the area is needed during business hours, we will make sure to provide a one week notice.
4. The area in yellow is where we will provide pedestrian canopies at the two main entrances to provide protection from any work being done above.

*Hopefully, Sears will agree to close from February 1st, 2019 to August 15 2019. This will drastically shorten the construction in the Sears store. Construction for the Sears Store would begin immediately during that time frame. Please refer to the attached timeline for the process and dates in regards to the construction for the Sears Store in 2019.*

Please note while construction may impose some challenges, once the project is completed, it will be incredibly beneficial for the future of Sears and the entire area. This development will provide Sears store with the following improvements and benefits:

- 1- A new HVAC system,
- 2- A new freight elevator
- 3- A new main for the electrical system,
- 4- Exterior painting
- 5- Parking lots will be resurfaced and restriped
- 6 - A new 2,600 parking structure
- 7- Providing ADA access into the Sears Store
- 8- Seismically retrofitting the building

**East River Group LLC**

---

724 S. Spring St., #802 Los Angeles, CA 90014  
Tel# (213) 623-3800 Fax# (213) 534-6625

- Most beneficial is the Seismic retrofit. Per the city ordinance, the building and store will have to be seismically upgraded within the next 20 years. If the building does not get seismically upgraded, the building and the lease for Sears will have no value to it. (Please refer to the city ordinance attached that explains why this is important).

In addition, the completion of this project will bring tremendous value to the Sears Store. It will bring over 1500 new residents in the building, over 2000 office employees in the 200,000 sq ft of office space and approximately 500 employees to the restaurants/bars at the food hall. In addition, it will become a destination for thousands of new patrons/visitors

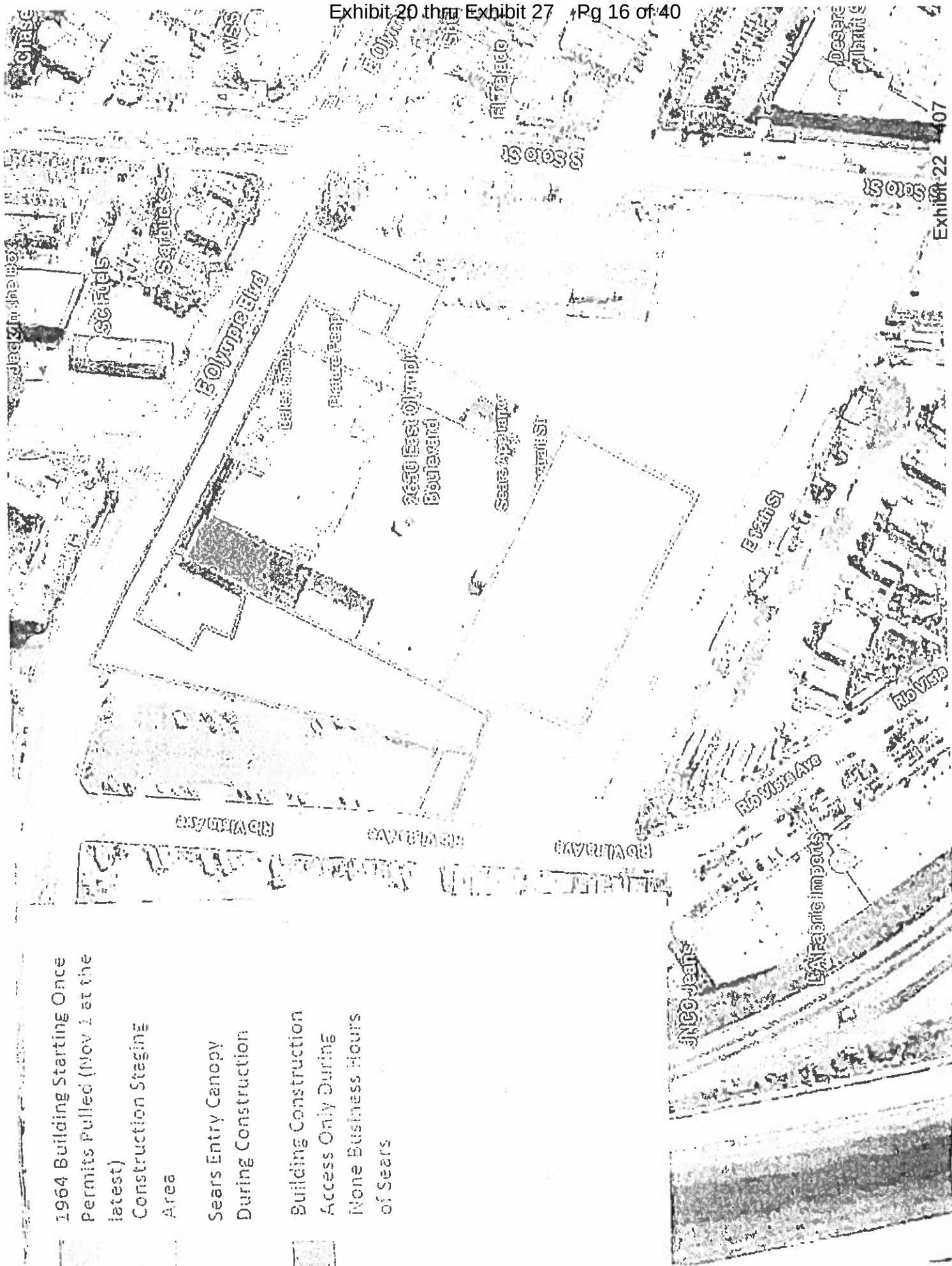
We hope we were able to provide you with helpful information in regards to the future of this project.

If you have any questions or require any additional information, please feel free to contact me directly at (310) 780-7434 or by email at [jon@shomofgroup.com](mailto:jon@shomofgroup.com).

Again, thank you so much for your patience and cooperation through this process.

Sincerely,

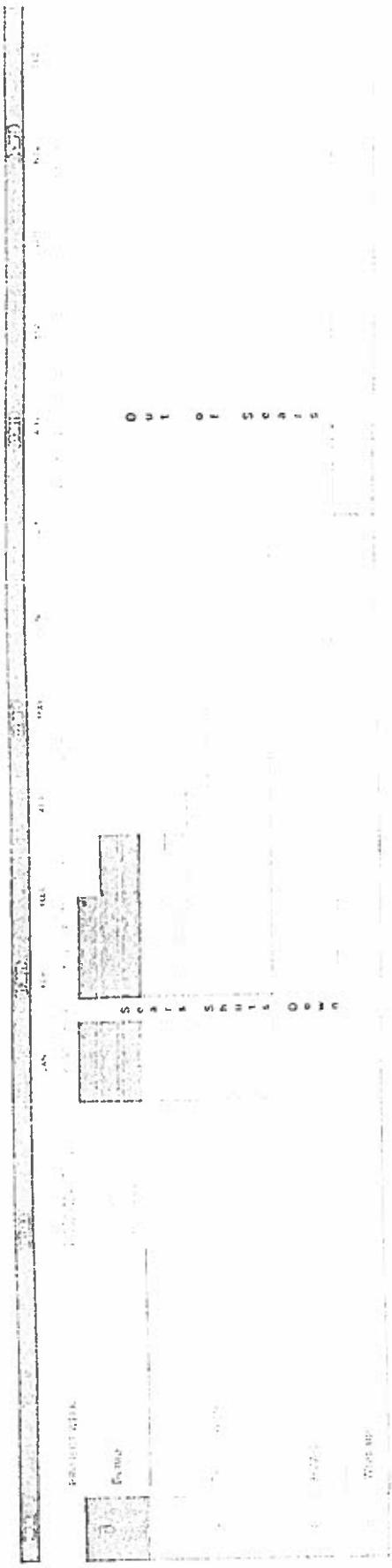
Jonathan Shomof  
Project Manager  
Office: (310) 780-7434  
Email: [jon@shomofgroup.com](mailto:jon@shomofgroup.com)



PROJECT TIMELINE SEARS 2018



PROJECT TIMELINE SEARS 2019



# CITY OF LOS ANGELES

CALIFORNIA



BOARD OF  
BUILDING AND SAFETY  
COMMISSIONERS

VAN AMBATIELOS  
PRESIDENT

E. FELICIA BRANNON  
VICE PRESIDENT

JOSELYN GEAGA-ROSENTHAL  
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JAVIER NUNEZ

DEPARTMENT OF  
BUILDING AND SAFETY  
201 NORTH FIGUEROA STREET  
LOS ANGELES, CA 90012

FRANK M. BUSH  
GENERAL MANAGER  
SUPERINTENDENT OF BUILDING

OSAMA YOUNAN, P.E.  
EXECUTIVE OFFICER

ERIC GARCETTI  
MAYOR

SHOMOF,ERIC TRS ET AL I AND A SHOMOF TRUST LESSOR  
206 W 8TH ST APT 100 1-1  
LOS ANGELES CA 90014-1849 00051



## ORDER TO COMPLY

REFERENCE NO.: NDC-31  
BUILDING ID NO.: 494670831382  
EFFECTIVE DATE: 11/20/17

## COMPLIANCE DATES:

CHECKLIST: Within 3 Years from Effective Date  
PLAN SUBMITTAL: Within 10 Years from Effective Date  
WORK COMPLETION: Within 25 Years from Effective Date

## SITE ADDRESS: 2650 E OLYMPIC BLVD

Based on an inspection of the site address referenced above and review of departmental records, the Los Angeles Department of Building and Safety (LADBS) has determined that the building(s) located on the above-referenced site fall within the scope of Division 95, Article I, Chapter IX of the Los Angeles Municipal Code (LAMC), LAMC § 91.9500 et seq., titled Mandatory Earthquake Hazard Reduction in Existing Non-Ductile Concrete Buildings (hereinafter, the "Ordinance"), and is therefore required to meet the minimum seismic standards of the Ordinance.

Therefore, you are hereby ordered to comply with the following requirements as set forth in LAMC § 91.9504.2:

1. *Within three (3) years after service of the "Order to Comply" letter described in Section 91.9505 (effective date of this letter), submit on the form provided by the Department a completed checklist for the Department to review and approve.*
2. *Within ten (10) years after service of the "Order to Comply" letter (effective date of this letter), submit a detailed evaluation of the building documenting whether the building meets or exceeds the requirements set forth in Section 91.9508. The evaluation shall include one of the following:
  - a. Proof that the building was previously retrofitted in conformity with the provisions in either Chapter 85 or Former Chapter 95 (Ordinance 171,260; No. 179,324; No. 179,592; and No. 182,850) of the Los Angeles Building Code; or
  - b. Proof that the building was previously retrofitted in conformity with the engineering requirements of this division; or*

Page 2 of 3

Effective Date: 11/20/17  
2650 E OLYMPIC BLVD

- c. A report consisting of a structural analysis that shows the building meets the engineering requirements of this division; or
  - d. A report consisting of a structural analysis and plans for the proposed structural alteration of the building to comply with the engineering requirements of this division; or
  - e. Plans for demolition of the building.
3. Within twenty-five (25) years after service of the "Order to Comply" letter (effective date of this letter), complete all necessary demolition or retrofit work on the building.

#### NOTICE OF RECORDATION OF CERTIFICATE

A CERTIFICATE HAS BEEN FILED WITH THE OFFICE OF THE LOS ANGELES COUNTY RECORDER STATING THAT THE BUILDING(S) ON THE ABOVE-REFERENCED SITE FALL(S) WITHIN THE SCOPE OF THE NON-DUCTILE CONCRETE RETROFIT ORDINANCE 183893, AND THAT THE OWNER HAS BEEN ORDERED TO STRUCTURALLY ANALYZE AND STRUCTURALLY ALTER OR DEMOLISH THE BUILDING(S) PURSUANT TO LAMC § 91.9504.2.

#### NON-COMPLIANCE FEE WARNING:

IT IS YOUR RESPONSIBILITY TO COMPLY WITH THIS ORDER AND CONTACT THE NON-DUCTILE CONCRETE RETROFIT UNIT LISTED BELOW BEFORE A NON-COMPLIANCE FEE IS IMPOSED. Failure to comply with this order within 15 days from the Compliance Date, may result in the imposition of the fee noted below.

A proposed non-compliance fee in the amount of \$660.00 may be imposed for failure to comply with this order within 15 days after the Compliance Date, or any compliance date thereafter, unless an appeal or request for slight modification is filed according to the time limits specified in the "APPEAL PROCEDURES" below.

**NOTE: FAILURE TO PAY THE NON-COMPLIANCE FEE WITHIN 30 DAYS AFTER THE DATE OF MAILING OF AN INVOICE, MAY RESULT IN A LATE CHARGE OF TWO (2) TIMES THE NON-COMPLIANCE FEE PLUS A 50 PERCENT COLLECTION FEE FOR A TOTAL OF \$2,310.00. Any person who fails to pay the non-compliance fee, late charge, and collection fee shall also pay interest. Interest shall be calculated at the rate of one percent per month.**

#### APPEAL PROCEDURES:

Within 60 days from the service date of this order, an owner may appeal the Department's initial determination that a building falls within the scope of the Ordinance. LAMC § 91.9505.5. Such an appeal shall be made in writing to the Board of Building and Safety Commissioners, and shall be accompanied by supporting documents (e.g., building permits for original construction, original construction plans, or proof that building complies with the minimum design standards of the Ordinance).

All other bases for appeals to this order, including appeal of any Department action that is taken incidental to this order, and requests for slight modification may be made pursuant to LAMC §§ 98.0403.1 - 98.0403.2.

**NOTE: Except for an appeal of the Department's initial determination that a building falls within the scope of the Ordinance, if an appeal or request for slight modification is not filed within 15 days of a compliance date, or extensions granted therefrom, the determination of the Department to impose and collect a noncompliance fee shall be final. LAMC § 98.0411(b).**

**Page 3 of 3**

**Effective Date: 11/20/17**  
**2650 E OLYMPIC BLVD**

**NOTICE OF TENANT RELOCATION ASSISTANCE:**

Relocation assistance may be required if a tenant is evicted as a result of compliance with an order from a governmental agency. See LAMC §§ 151.09.A.11, 163.00-163.07. For more information regarding tenant relocation assistance, call the Los Angeles Housing and Community Investment Department (LAHCID) at 866-557-7368 or go to <http://hcida.lacity.org>.

**PENALTY WARNING:**

Any person who violates or causes or permits another person to violate any provision of the Los Angeles Municipal Code, including failure to comply with this order, shall be guilty of a misdemeanor, which is punishable by a fine of not more than \$1,000.00 and/or six (6) months for each violation. LAMC §§ 11.00(m), 91.103.3.

If you have any questions or require additional information, please contact the Non-Ductile Concrete Retrofit Unit at (213) 978-4475 or email at [ladbs.nonductileconcrete@lacity.org](mailto:ladbs.nonductileconcrete@lacity.org).

**NON-DUCTILE CONCRETE RETROFIT UNIT**  
**201 N. FIGUEROA ST., SUITE 880**  
**LOS ANGELES, CA 90012**



## NON-DUCTILE CONCRETE BUILDING CHECKLIST

Order to Comply No./Reference No.: \_\_\_\_\_

Order to comply date: \_\_\_\_\_

### BUILDING DATA

Building Address: \_\_\_\_\_ Date: \_\_\_\_\_

Building Name: \_\_\_\_\_

Owner Name: \_\_\_\_\_

Email: \_\_\_\_\_ Phone #: \_\_\_\_\_

Owner Address: \_\_\_\_\_

Engineer's Name: \_\_\_\_\_

Email: \_\_\_\_\_ Phone #: \_\_\_\_\_

Engineer's Address: \_\_\_\_\_

Building Use: \_\_\_\_\_

Year Built: \_\_\_\_\_ Original Design building Code: \_\_\_\_\_

No. of Stories: \_\_\_\_\_ Length (ft): \_\_\_\_\_ Width (ft): \_\_\_\_\_

Levels below grade: \_\_\_\_\_ Story Height: \_\_\_\_\_ Total Height: \_\_\_\_\_

### CONSTRUCTION DATA

Building designed to 1977 LABC (1976 UBC) or later building code:  
(If yes, supporting documentation required to be provided with checklist)

Yes

No

Building elements supporting:  Structural Concrete Wall  Concrete Column  
concrete floor or roof  Unreinforced Masonry Wall  Reinforced Masonry Wall  
 Steel Columns  Steel Columns encased in Concrete  
 Other \_\_\_\_\_

#### Structural Concrete

#### Other

Type of Floor/Roof:	<input type="checkbox"/>	(	)
Roof Materials/Framing:	<input type="checkbox"/>	(	)
Intermediate Floors/Framing:	<input type="checkbox"/>	(	)
Ground Floor:	<input type="checkbox"/>	(	)
		Slab on grade	)

Please complete information on page-2 and -3.

Previous Building Retrofit: Date: \_\_\_\_\_ City of Los Angeles Building Permit No.: \_\_\_\_\_

Standard Used: \_\_\_\_\_  
Note: Substantiating documentation is required to be included with the checklist

**LATERAL-FORCE-RESISTING SYSTEM**

Vertical Elements:	Longitudinal (Long side of Building)		Transverse (Short side of Building)	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shear Wall				
Moment Resisting Frame				
Other	_____		_____	
Diaphragms:	Concrete	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
	Other material	_____		

**IRREGULARITIES**

Identify irregularities of building:

- |   |   |
|---|---|
| <u>Horizontal Irregularities</u>                    | <u>Vertical Irregularities</u>  |
| <input type="checkbox"/> Possible Torsional         | <input type="checkbox"/> Possible Stiffness-Soft Story                                      |
| <input type="checkbox"/> Possible Extreme Torsional | <input type="checkbox"/> Possible Stiffness-Extreme Soft Story                              |
| <input type="checkbox"/> Reentrant Corner           | <input type="checkbox"/> Possible Weight (Mass)   |
| <input type="checkbox"/> Diaphragm Discontinuity    | <input type="checkbox"/> Possible Vertical Geometric  |
| <input type="checkbox"/> Out-of-Plane Offset        | <input type="checkbox"/> In-Plane Discontinuity in Vertical Lateral Force-Resisting element |
| <input type="checkbox"/> Nonparallel System         | <input type="checkbox"/> Possible Discontinuity in Lateral Strength-Weak Story              |
|   | <input type="checkbox"/> Possible Discontinuity in Lateral Strength-Extreme Weak Story      |

If the building is determined to be a "Non-Ductile Concrete Building", within ten (10) years after service of the "order to comply", submit a detailed evaluation of the building documenting whether the building meets or exceeds the requirements set forth in Section 91.9508 of Ordinance No. 183,893. The evaluation shall include one of the following:

- (a) Proof that the building was previously retrofitted in conformity with the provisions in either Chapter 85 or former Chapter 95 (Ordinance No. 171,260; No. 179,324; No. 172,592; and No. 182,850) of the Los Angeles Building Code; or
- (b) Proof that the building was previously retrofitted in conformity with the engineering requirements of this provision; or
- (c) A report consisting of a structural analysis that shows the building meets the engineering requirements of this provision; or

- (d) A report consisting of a structural analysis and detailed plans for the proposed structural alteration of the building to comply with the engineering requirements of this provision of Chapter-95 (Ordinance-183893); or
- (e) Plans for demolition of the building.

**STATEMENT FROM ENGINEER OF RECORD**

"I, \_\_\_\_\_ as the licensed Engineer/Architect for the completion of the  
(Print Name)

LADBS Non-Ductile Building Checklist, have performed the necessary investigation of the building, have reviewed the available construction documents of the building, and have determined that the subject building (IS) (IS NOT) within the scope of LABC Chapter 95, Mandatory Earthquake Hazard Reduction in Existing Non-Ductile Concrete Building (Ordinance No. 183893, effective Nov. 22, 2015). \_\_\_\_\_

Signature: \_\_\_\_\_

Seal: \_\_\_\_\_

Date: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

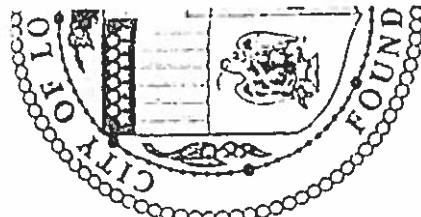


**What information is needed to exempt affected building from Non-Ductile Concrete Ordinance:**

- 1) Copy of Building Permit showing application for a new building was submitted to LADBS after January 13, 1977.
- 2) Copy of historical building plans showing building construction does not include concrete floors and/or roofs supported by concrete walls, concrete columns, or concrete frames with or without masonry infills or any combination thereof. Specific areas of the building construction will need to be verified by non-destructive testing or visual exposure and inspections made by LADBS to verify the building construction is consistent with the building plans. Within 3 years from the service date of the order to comply, a building permit application will need to be submitted to the structural plan check section along with all supporting documentations to verify information provided.
- 3) Where historical building plans are not available, schematic diagrams showing materials of construction may be used in lieu of historical building plans.

**PURPOSE:** The purpose of this form is to confirm that this building is within the scope of the ordinance.

<b>DEPARTMENT USE ONLY</b>	
<b>REVIEWED BY:</b>	<b>RECEIVED DATE:</b> _____ / _____ / _____



For additional information, please contact:



DEPARTMENT OF BUILDING AND SAFETY

### Non-Ductile Concrete Retrofit Unit

201 N Figueroa St, Suite 880

Phone: (213)978-4475

Email: ladbs.nonductileconcrete@lacity.org

Property owners participating in PACE receive financing through the PACE provider and repay the investment as an assessment added to the property tax bill.

#### How does PACE work?

To schedule a one-on-one meeting or to speak with someone to learn more about your options, call (877)785-2237 or email info@lapace.org. <http://lapace.org>

#### Building:

having concrete floors with or without beams, walls and/or concrete frames with or s, or any combination to a permit application t was submitted before

#### Retrofitting Resources

### LADBS Non-Ductile Concrete Retrofit Program:

<http://ladbs.org/non-ductile>

building by altering or nents to mitigate the xisting buildings.

#### Ordinances:

Non-Ductile Concrete Retrofit Ordinance eff. 11/22/15 Ord. 183893: [http://clkrp.lacity.org/onlinedocs/2014/14-1697-S1\\_ord\\_183893\\_11-22-15.pdf](http://clkrp.lacity.org/onlinedocs/2014/14-1697-S1_ord_183893_11-22-15.pdf)

Substantial Structural Damage Ordinance eff. 5/11/16 Ord. 184169: [http://clkrp.lacity.org/onlinedocs/2014/14-1697\\_ord\\_184169\\_5-11-16.pdf](http://clkrp.lacity.org/onlinedocs/2014/14-1697_ord_184169_5-11-16.pdf)

### What is PACE (Property Assessed Clean Energy)?

PACE allows for commercial and residential property owners to obtain financing for seismic retrofit improvements in addition to energy efficiency, water conservation, and renewable energy improvements.

### Financial Help by PACE Program

#### What is PACE (Property Assessed Clean Energy)?

PACE allows for commercial and residential property owners to obtain financing for seismic retrofit improvements in addition to energy efficiency, water conservation, and renewable energy improvements.

Property owners participating in PACE receive financing through the PACE provider and repay the investment as an assessment added to the property tax bill.

#### How does PACE work?

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#### Building:

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### LADBS Non-Ductile Concrete Retrofit Program:

<http://ladbs.org/non-ductile>

building by altering or nents to mitigate the xisting buildings.

#### Ordinances:

Non-Ductile Concrete Retrofit Ordinance eff. 11/22/15 Ord. 183893: [http://clkrp.lacity.org/onlinedocs/2014/14-1697-S1\\_ord\\_183893\\_11-22-15.pdf](http://clkrp.lacity.org/onlinedocs/2014/14-1697-S1_ord_183893_11-22-15.pdf)

Substantial Structural Damage Ordinance eff. 5/11/16 Ord. 184169: [http://clkrp.lacity.org/onlinedocs/2014/14-1697\\_ord\\_184169\\_5-11-16.pdf](http://clkrp.lacity.org/onlinedocs/2014/14-1697_ord_184169_5-11-16.pdf)

### Cost Recovery Applications &

#### RSO Information

(866) 557-RENT (7368)  
hcida.rso@lacity.org  
<http://hcida.lacity.org/tenant-habitability-program>

### Tenant Habitability Program Unit

(213) 252-1464

hcida.code.seismicic@lacity.org  
<http://hcida.lacity.org/tenant-habitability-program>

Property Ow

### Cost Recovery Applications &

#### RSO Information

(866) 557-RENT (7368)  
hcida.rso@lacity.org  
<http://hcida.lacity.org/tenant-habitability-program>

Structural Engineers Association of Southern California (SEAOSC) Find an Engineer:  
<http://www.seaosc.org/find-an-engineer>



## Property Owner's Responsibility

## Compliance Requirements

### What do I need to do first?

- The property owner must hire an engineer licensed by the State of California to:
- Evaluate the building, complete the LADBS "Non-Ductile Concrete Building Checklist", and submit it with the supporting documents required by the checklist to LADBS Non-Ductile Concrete Retrofit Unit within three years from the date of the "Order to Comply" letter.

### What do I do next?

Within 10 years from the date of the "Order to Comply" letter, submit proof of previous retrofit in conformance with Chapter 85 or former 95 of the Los Angeles Building Code, a structural analysis showing compliance with the retrofit ordinance, structural analysis and plans to retrofit, or plans to demolish the subject building(s) to the LADBS. Plans and calculations will be checked for compliance with the Non-Ductile Concrete Retrofit Ordinance. LADBS will provide guidance for all necessary steps to obtain the retrofit permit, which includes obtaining clearances from pertinent agencies.

The property owner must notify the residential tenants of the building in writing per HCIDLA regulations prior to issuance of the building permit for the building retrofit.

### What do I do after a permit is issued?

Begin construction and request inspections at the required phases of construction at: <http://ladbs.org/>

### How do I find ...

- An Engineer? Please visit the State of California's Board for Professional Engineers, Land Surveyors, and Geologists for information regarding licensed engineers: <http://bpebsg.ca.gov>  
An Architect? Please visit the California Architects Board for information regarding licensed architects: <http://cab.ca.gov>  
A Contractor? Please visit the Contractors State License Board for information regarding hiring a contractor and to verify if a contractor is licensed and insured. <http://cslb.ca.gov>

### How soon do I have to comply?

**3 years**

from the date of the Order to Comply

**Significant Seismic Deficiencies (SDF) with Non-Ductile Concrete Buildings**

**10 years**

from the date of the Order to Comply

**Significant Seismic Deficiencies (SDF) with Non-Ductile Concrete Buildings**

**25 years**

from the date of the Order to Comply

**Significant Seismic Deficiencies (SDF) with Non-Ductile Concrete Buildings**

What should I do if  
is exempt from the pi  
The owner of the build  
60 days of the service  
"Comply" letter by submi  
to the Board of 1  
Commissioners. The i  
supporting documents  
permits for original con  
permit and final inspe  
prior retrofit that con  
Ductile Concrete Retrofit

18-23538-shl Doc 4625-5 Filed 07/26/19 Entered 07/26/19 15:01:30 Exhibit  
pi  
The provided constructi  
and other supporting dr  
submitted to LADBS anc  
be required to rev  
documentation.

What information dc  
to show my building  
the Non-Ductile  
Ordinance?  
The following document  
• Provide building pi  
(submitted to LADBS  
(nev.) building  
12, 1977, or  
• Provide proof th  
previously retrofitt  
with all the provisi  
Chapter 85 or  
(Ordinance No. 17  
No. 172,592; and Pg. 26  
• Provide a copy o  
plans showing buil  
of concrete constru  
Specific areas of the bu  
need to be verified by r  
or visual exposure and  
approved by LADBS t  
construction is consisten

What should I submit to LADBS?  
The documents required for submittal are:  
• Structural analysis/calculation package  
• Architectural plans  
• Structural plans and construction details  
For more details, see the LADBS Information  
Bulletin for Submittal Requirements.

# **EXHIBIT 23**

IN RE: SEARS HOLDING CORPORATION, et al.

IZEK SHOMOF  
June 24, 2019

Page 61	Page 63
<p>1 what I said. 2 Q And under the lease and amendment, there's no 3 obligation for Sears to close for six months; correct? 4 A Absolutely not. 5 Q Okay. So I understand that you believe 6 there's value for Sears. Fine. 7 But what I'm trying to understand is what 8 Sears has done that is in breach of the amendment or the 9 lease by not shutting down for six months. That's what 10 I'm trying to understand. 11 A All they could have done is continue 12 negotiating with me and says, Izek, work around us. 13 We're allowing to give you the space what the lease 14 says. We are not going to shut down. And if they would 15 have said that, I would have maneuvered the whole 16 situation and tried to work with my general contractor 17 that is going to be doing the job to work within Sears' 18 space and not asking them to shut down. The problem 19 with it occurred that they just stopped negotiating, 20 stopped talking to us due to Sears' bankruptcy. 21 Q I understand that's your view. I'm just 22 asking specifically as it relates to the obligations 23 under the lease and the amendment. And as I understand 24 it, you made one proposal, as you testified today, that 25 Sears shut down for six months without any compensation:</p>	<p>1 happen? 2 A Propose to who? 3 Q To Steve. 4 Did -- 5 A When Steve's telling me no one to talk to -- 6 Q Mr. Shomof, can you please answer my question. 7 Did you at any time provide an alternative proposal 8 other than shutting down for six months without 9 compensation? It's a yes-or-no question. 10 A I was trying to, and Steve told me flat out no 11 one to talk to. 12 Q I'm not asking you what Steve told you. I'm 13 asking whether you and the landlord made any other 14 proposals. It's a yes-or-no question, sir. 15 A Proposal, no. Attempt to make proposal, yes. 16 Q Okay. And what was the proposal you wanted to 17 make? 18 A Let's talk about how we going to get it done, 19 if it needs to be partially doing it or you guys willing 20 to close down. 21 Q Was it a condition for your construction 22 financing that Sears close down for six months? 23 A It was a -- they want to see some kind of an 24 agreement. 25 Q Was it a condition of your proposed</p>
<p>1 is that correct? 2 A I asked Sears to shut down, and they asked 3 me -- they said it will cost you. And I says I'm 4 already contributing a lot to this. And if they would 5 have said definitely it will cost you "X" amount of 6 dollar, I would -- may say okay. I have no choice. I 7 need to get it done. 8 But the point -- the whole point here, it's 9 not about Sears wanting money and I said no and that's 10 when it fell apart. It's that Sears did not say it will 11 only need to be with money. Sears did not say you can 12 only do it partially or otherwise do it partially. I 13 would -- I would revisit the whole situation and just do 14 it partially, if needed. 15 Q Did you make any proposal other than Sears 16 shutting down for six months without compensation? 17 A There was no one to talk to. I mean, it's 18 basically Sears. I spoke to Steve repeatedly, and Steve 19 says, Izek, I have no one to talk to. 20 Q I understand that your view is that there was 21 no one to talk to and Steve told you there was no one to 22 talk to. My question is whether or not when talking to 23 Steve or talking to anyone, you proposed any other 24 solutions rather than shutting down for six months 25 without any compensation. "Yes" or "no," did that</p>	<p>1 construction financing that Sears shut down for six 2 months? 3 A The answer is they wanted to see some kind of 4 an agreement. 5 Q And what was the condition of that agreement? 6 What did it need to say? 7 A You need to provide us an agreement with Sears 8 that they will allow you to do the seismic retrofit. 9 And at the same time, we want to see from the general 10 contractor if it going to be partially, we want to see 11 the general contractor can get the job done, the overall 12 job done, because it was a 36-months construction. 13 So if we would have known that it's a 14 definitely no, no with Sears shutting down for six 15 months, we would go the route of doing it partially. We 16 will talk to the general contractor that this job needs 17 to be done partially. And I would ask for Sears to 18 let's make a -- the agreement stating that we are going 19 to go in with -- eight months in and out or a year in 20 and out. But when Sears refuse to talk and no one to 21 talk to, that's where the whole thing fell apart. 22 Q Mr. Shomof, did you ever tell your contractor 23 to develop a plan that would -- 24 A Yes. 25 Q -- require -- let me finish the question.</p>
<p>1 Hand-Scriped</p>	<p>Ellen Grauer Court Reporting Co. LLC</p>

# **EXHIBIT 24**

6/14/2019

Pacific Investment Mail - Sears Store time line



Izek Shomof <izek@shomogroup.com>

## Sears Store time line

3 messages

**Jonathan Shomof <jon@shomogroup.com>** Fri, Sep 28, 2018 at 3:36 PM  
To: svelkei@bautelaw.com, abaghdishyan@bautelaw.com, Izek Shomof <izek@shomogroup.com>, Jimmy Shomof <jimmy@shomogroup.com>, Leo Pustilnikov <leo@slhinvestments.com>, Marc Cohen <marc@cigapc.com>, Diony Rebuta <diony@shomogroup.com>, Ericson Alviz <ericson@citifymgt.com>

Hello Steve,

Hope all is well with you  
Please include Damian and I believe it was Nikko  
Attached is what we spoke about last week.  
Please let me know if you have any questions

Thanks

Jonathan Shomof

shomof  
group  
shomogroup.com  
724 South Spring St Suite 802  
Los Angeles, CA 90014  
Office: 213-378-1006  
Cell: 310-780-7434

Sears Letter.pdf  
5693K

**Steven A. Velkei <svelkei@bautelaw.com>** Fri, Sep 28, 2018 at 5:59 PM  
To: Jonathan Shomof <jon@shomogroup.com>, Artyom Baghdishyan <abaghdishyan@bautelaw.com>, Izek Shomof <izek@shomogroup.com>, Jimmy Shomof <jimmy@shomogroup.com>, Leo Pustilnikov <leo@slhinvestments.com>, Marc Cohen <marc@cigapc.com>, Diony Rebuta <diony@shomogroup.com>, Ericson Alviz <ericson@citifymgt.com>

This shall confirm receipt of your letter. I will circulate to Sears.

To be clear, this letter does not appear to be offered in the spirit in which we discussed it last week. It comes across more as a direction from you as opposed to offering a proposed timeline and outlining some issues that remain to be negotiated before the process begins.

The history of this project is riddled with errors that have put our employees and patrons at risk and breached negotiated protocols, not to mention broken promises about timing. Just two months ago, you notified us that you would likely not pursue the project.

Before anything proceeds, we need the fire issue resolved and we then need to come together to agree upon a process to avoid business disruption to Sears and risk to our employees and patrons while the construction is pending. That is a fundamental right under the lease. If we have to go to court to enforce those rights, we will.

Focusing on the fire issue, I do not share your collective optimism that this issue will get resolved quickly. The fire detection system in the rest of the building is not only inactive, but has been dismantled by your crews. I am assuming that affects 1.7 million square feet and puts the store at risk. It has to be resolved first and foremost.

We do share a desire for this project to proceed both for the store and the community. We have expressed that to you. We also understand time is money. But, the project has to be done right and without risk of harm. That requires

**SK-006601**  
<https://mail.google.com/mail/u/1?ik=32c3cbe77f&view=pt&search=all&permmsgid=thread-f%3A1612892556844719534&simpl=msg-f%3A16128925588...> 1/2

6/14/2019

Pacific Investment Mail - Sears Store time line

collaboration.

I have offered to meet your lawyer so we can start to work through these issues and I renew this offer.

Steve

Sent from my Verizon, Samsung Galaxy smartphone  
[Quoted text hidden]

---

Jonathan Shomof <jon@shomofgroup.com>  
To: Izek Shomof <Izek@shomofgroup.com>, Jimmy Shomof <jimmy@shomofgroup.com>

Mon, Oct 1, 2018 at 1:36 PM

Just wanted to confirm you saw this email  
let me know if you want me to respond?

Jonathan Shomof

shomof  
group  
shomofgroup.com  
724 South Spring St Suite 802  
Los Angeles, CA 90014  
Office: 213-378-1006  
Cell: 310-780-7434

[Quoted text hidden]

# **EXHIBIT 25**



**SulmeyerKupetz**  
A PROFESSIONAL CORPORATION

December 11, 2018

E-MAIL [dkupetz@sulmeyerlaw.com](mailto:dkupetz@sulmeyerlaw.com)  
DIRECT DIAL 213.617.5274

**VIA E-MAIL AND FEDEX**

Weil, Gotshal & Manges  
767 Fifth Avenue  
New York, New York 10153  
Attn.:  
Ray C. Schrock, P.C. – [ray.schrock@weil.com](mailto:ray.schrock@weil.com)  
Garrett A. Fail – [garrett.fail@weil.com](mailto:garrett.fail@weil.com)  
Jacqueline Marcus –  
[jacqueline.marcus@weil.com](mailto:jacqueline.marcus@weil.com)  
Sunny Singh – [sunny.singh@weil.com](mailto:sunny.singh@weil.com)

Re: Sears Building/Sears Store - Boyle Heights, Los Angeles, California (Store No. 1008)

Dear Counsel:

My firm represents Izek Shomof and Aline Shomof Irrevocable Children's Trust Dated February 11, 1999, Vegas Group, LLC, and East River Group, LLC (collectively, "Landlord"), the owners of the iconic Sears building in Boyle Heights, Los Angeles, California. The building was constructed by Sears in 1927 as a mail order distribution center and Sears currently operates a retail store at the premises (Store No. 1008). Sears, Roebuck and Co. has a 99 year lease with Landlord that commenced May 5, 2011. Rent was prepaid under the lease at the rate of \$1 per year (there are other monetary obligations, however, outstanding under the lease, including without limitation, CAM charges, real estate tax reimbursement and construction expense reimbursement).

Prior to Sears entering Chapter 11, Landlord was in discussions with Sears regarding the planned rehabilitation of the building and the seismic retrofitting, new HVAC system, ADA compliant access, new freight elevator, and other improvements to and work to be done in the leased premises. Following commencement of the Chapter 11 cases by Sears, it appears to Landlord that the business representatives of Sears have become non-responsive. I am reaching out to you in an effort to resume discussions regarding work to be done in the leased premises.

Included with this letter is a letter sent by Landlord to Sears dated September 25, 2018, explaining the desire to commence construction promptly. The letter also explained the dramatic and necessary improvements that would greatly benefit the leasehold interest held by Sears if the work to be done in the leased space is able to proceed, including seismic retrofitting, new HVAC system, and other improvements. Sears did not respond to Landlord's September 25 letter.

Weil, Gotshal & Manges  
December 11, 2018  
Page 2

Landlord is convinced that allowing the work to be done in the leased premises to proceed as requested will tremendously increase the value of the leasehold interest held by Sears' bankruptcy estate. Landlord desires to re-engage with Sears to attempt to work out a plan for doing so. Can you please advise whether Sears is willing to re-engage and, if so, who landlord should be communicating with on this matter and please provide contact information for the Sears representative(s).

Your courtesy and response with regard to this matter would be greatly appreciated.

Very truly yours,

SulmeyerKupetz  
A Professional Corporation



David S. Kupetz

# **EXHIBIT 26**

IN RE: SEARS HOLDING CORPORATION, et al.

IZEK SHOMOF  
June 24, 2019

Page 105	Page 107
<p>1 A It could have been pulled. 2 Q What do you mean "could have been pulled"? 3 A Well, we pulled the permit, I think, 4 February 5th or 10th. 5 Q Okay. 6 A The reason we decided to do that, just to 7 preserve our entitlement. We didn't want to pull that 8 if it wouldn't be the issue with the entitlement because 9 we were waiting for financing to pay for the permit fee. 10 But the end of the day, we pull it out of pocket just to 11 preserve our entitlement. But it could have been pulled 12 a month prior or a week prior. 13 Q To be clear, on the date of this letter was 14 written on December 25th, 2018, you had not finalized or 15 closed on your construction financing; correct? 16 A Finalized our construction financing? Like I 17 said before and I'm saying it again, our construction 18 financing had a few conditions that the majority of the 19 conditions were very, very, very minor. Could have been 20 done with no -- no issue. The one major issue was the 21 Sears issue, the Sears agreement issue. 22 MR. WEAVER: Let's use tab 13. 23 Let's make this Exhibit Number 12. 24 (Exhibit 12 marked.) 25 ////</p>	<p>1 A So he understood it that way. That was not 2 our intention direction. We told him that's what we 3 talked about. That's how we spelled it out in the 4 letter. 5 Q And so your understanding was that the letter 6 itself had spelled out the timeline necessary -- 7 A Yes. 8 Q -- to complete the project? 9 And that it resolved all the issues that you 10 discussed during the meeting prior to sending the 11 letter? 12 A To preserve all the issue. There's always 13 other issue comes along. But I don't know. Most likely 14 it was. It's a very vague question, you know? From 15 minute to minute, issues can occur. What issues are you 16 talking about? 17 Q Well, I don't know. You were in the meeting. 18 I wasn't, sir. That's why I'm asking. 19 A Oh, you talking about the issues of the 20 meeting? 21 Q Correct. 22 A Oh, I'm sorry. 23 Q That Steve seems to be referring to. 24 A Okay. Well, the issues -- we spelled out the 25 summary of the conversation. We send him that e-mail.</p>
Page 106	Page 108
<p>1 BY MR. WEAVER: 2 Q Mr. Shomof, we've handed you exhibit marked 3 Number 12, another e-mail chain bearing Bates Number 4 SK 6801 to 6802. 5 Do you see at the bottom of this first page, 6 there appears to be a e-mail from Steve to Jonathan, 7 you, and others? 8 A Yes. 9 Q Okay. And this is dated February -- I'm 10 sorry -- Friday, September 28th. 11 You see that? 12 A Yes. 13 Q Okay. So he's confirmed receipt of your 14 letter; is that right? 15 A Yes. 16 Q And he states "To be clear, this letter does 17 not appear to be offered in the spirit in which we 18 discussed it last week." 19 What did you understand him to mean by "not in 20 the spirit"?. 21 A I don't know. 22 Q He states that it comes across more as a 23 direction from you as opposed to offering a proposed 24 timeline outlining some of the issues that remain to be 25 negotiated.</p>	<p>1 He understood it differently. So the answer is no, I 2 don't understand what exactly he mean by the spirit of 3 the issue. 4 Q In the third paragraph, he states "The history 5 of the project is riddled with errors that have put our 6 employees and patrons at risk and breached negotiated 7 protocols, not to mention broken promises about timing. 8 Just two months ago, you notified us that you would 9 likely not pursue this project." 10 Did you ever communicate in sum or substance 11 to Steve or anyone representing Sears that you were not 12 likely to pursue the redevelopment project? 13 A That's not the way he spelled it out, not at 14 all. When I was sitting down at Steve's office with 15 Alan Shaw, I said it's getting costly because Alan said 16 it may cost you for us to shut down. I said the project 17 is getting costly. Don't bring it to a situation, come 18 with a number that I'm not going to be able to do it. 19 Q Okay. Well, let's go back because I thought 20 I'd asked you about all the details of that conversation 21 in that meeting. So let's go back to that meeting 22 because I want to make sure I have the complete picture. 23 So during that meeting, did you -- what did 24 you say about the project becoming costly? 25 A It's for them, you know. When we are talking</p>

# **EXHIBIT 27**



# REQUEST FOR MODIFICATION OF BUILDING ORDINANCES

UNDER AUTHORITY OF L.A.M.C. SECTION 98.0403

PERMIT APP. #: 16016-10000-05707		DATE: 2-21-19	For City Dept. Use Only
JOB ADDRESS: 2650 E. OLYMPIC BLVD			
Tract: <b>TR 9410</b>	Block: <b>NONE</b>	Misc.	
Lot: <b>PR 151</b>			
Owner: EAST RIVER GROUP, LLC	Petitioner: OMGINNINL		
Address: 724 S. SPRING ST #801	Address: 724 S. SPRING ST #801		
City State Zip Phone 310 <b>LOS ANGELES CA 90014 7807434</b>	City State Zip Phone 213 <b>LOS ANGELES CA 90014 896-5602</b>		
REQUEST (SUBMIT PLANS OR ADDITIONAL SHEETS AS NECESSARY)		CODE SECTIONS: L.A.M.C 98.0603	
To allow an extension of time until <b>9-16-2019</b> in which to obtain a building permit for plans filed for checking on <b>3-16-2016</b> under plan check number			
2. To allow the permit to be issued using the 2014 LABC, Current Zoning, Disabled Access Requirements, and LA Green Code Requirements.			
JUSTIFICATION (SUBMIT PLANS OR ADDITIONAL SHEETS AS NECESSARY) <b>SYSTEMIC RETROFIT PORTION HAS BEEN APPROVED, BUT ADDITIONAL TIME IS REQUIRED FOR THE CHANGE OF USE PORTION</b>			
Jonathan Shouf Owner/Petitioner Name (Print)		Owner Position	
FOR CITY DEPARTMENT'S USE ONLY BELOW THIS LINE			
Concurrences required from the following Department(s)			
<input type="checkbox"/> Los Angeles Fire Department	Print Name _____	Sign _____	<input type="checkbox"/> Approved <input type="checkbox"/> Denied
<input type="checkbox"/> Public Works Bureau of Engineering	Print Name _____	Sign _____	<input type="checkbox"/> <input type="checkbox"/>
<input type="checkbox"/> Department of City Planning	Print Name _____	Sign _____	<input type="checkbox"/> <input type="checkbox"/>
<input type="checkbox"/> Department of County Health	Print Name _____	Sign _____	<input type="checkbox"/> <input type="checkbox"/>
<input type="checkbox"/> Other _____	Print Name _____	Sign _____	<input type="checkbox"/> <input type="checkbox"/>
<b>DEPARTMENT ACTION</b>		<b>Wing Kam Sien</b> Reviewed by (Staff) (Print)	 2.21.2019 Date
<input type="checkbox"/> GRANTED <input type="checkbox"/> DENIED			
Action taken by: (Supervisor) (Print) _____ Sign _____ Date _____			
NOTE: IN CASE OF DENIAL, SEE PAGE #2 OF THIS FORM FOR APPEAL PROCEDURES			
<b>CONDITIONS OF APPROVAL (Continued on Page 2):</b> 1. This extension approval is contingent upon the owner submitting all plans for the proposed work to the Department to recheck and verify its compliance with the current Zoning, Disabled Access (Title 24) and Green Building Code Requirements. An additional plan check fee based on plan			
<b>For Cashiers Use Only</b> (PROCESS ONLY WHEN FEES ARE VERIFIED)			
<b>FEES (DEPARTMENT USE ONLY)</b> Appeal Processing Fee.. (No. of Items) = 2 X \$130 + \$39/addl = <u>169.00</u> Inspection Fee ..... (No of Insp.) = X \$ 84.00 = <u>67.20</u> Research Fee ... (Total Hours Worked) = 2 X \$104.00 = <u>208.00</u> Subtotal..... = <u>337.00</u> Development Services Center Surcharge X 3% = <u>11.31</u> Systems Development Surcharge ..... X 6% = <u>22.62</u> Total Fees ..... = <u>410.93</u>			
Fees verified by:			
Print and Sign <u>Wing Kam Sien</u>			

Permit App #: 16016 - 10000 - 05707

Job Address: 2650 E. OLYMPIC BLVD

**CONDITIONS OF APPROVAL (Continued from Page 1)**

1. (Cont.) review and correction verification time will be assessed by the Department. The date the plans are resubmitted in compliance with this condition shall be construed as the plan check submittal date for the purpose of determining the applicability of laws, regulations, and ordinances.
2. This extension does NOT extend to the compliance date of any order to comply that any have been issued to this site by LADBS for a code violation.
3. This extension approval is contingent upon the owner re-obtaining required clearances for any expired agencies' approval plus any additional clearances due to new regulations.

**CITY OF LOS ANGELES  
BOARD OF BUILDING AND SAFETY/DISABLED ACCESS  
COMMISSION APPEAL FORM**

(Must be Attached to the Modification Request Form, Page 1)

**AFFIDAVIT – LADBS BOARD OF BUILDING AND SAFETY COMMISSIONERS – RESOLUTION NO. 832-93**

I, \_\_\_\_\_ do state and swear as follows:

- (Print or Type Name of the Person Signing this Form)
1. The name and mailing address of the owner of the property (as defined in the resolution 832-93) at \_\_\_\_\_ as shown on the appeal application (LADBS Com 31) are correct, and
  2. The owner of the property as shown on the appeal application will be made aware of the appeal and will receive a copy of the appeal.

I declare under PENALTY OF PERJURY that the foregoing is true and correct.

Owner's Name(s) \_\_\_\_\_ (Please Type or Print) \_\_\_\_\_ (Please Type or Print)

Owner's Signature(s) \_\_\_\_\_ (Please Sign) (Two Officers' Signatures Required for Corporations)

Name of Corporation \_\_\_\_\_ (Please Print Name of Corporation) \_\_\_\_\_ (Please Type or Print)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT ————— SIGNATURE(S) MUST BE NOTARIZED**

State of \_\_\_\_\_ County of \_\_\_\_\_ on \_\_\_\_\_

before me, \_\_\_\_\_ personally appeared \_\_\_\_\_

Name, Title of Officer (e.g., Jane Doe, Notary Public)

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument in person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing is true and correct.

WITNESS my hand and official seal.

Signature

As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities.

**APPEAL OF DEPARTMENT ACTION TO THE BOARD OF BUILDING AND SAFETY  
COMMISSIONERS/DISABLED ACCESS APPEALS COMMISSION**

Applicant's Name	Applicant's Title
Signature	
Date	
<b>FEES (DEPARTMENT USE ONLY)</b> Board Fee ..... (No. of Items)    1 X    \$354.00    = _____ Inspection Fee..... (No of Insp.) =    X    \$84.00    = _____ Research Fee.... (Total Hours Worked) =    X    \$104.00    = _____ Subtotal ..... = _____ Development Services Center Surcharge    X    3%    = _____ Systems Development Surcharge .....    X    6%    = _____ Total Fees ..... = _____ Fees verified by: Print and Sign _____	
<b>For Cashiers Use Only</b> <small>(PROCESS ONLY WHEN FEES ARE VERIFIED)</small>	



LA Department of Building and Safety  
LA EST# 104151177 2/21/2019 3:35:11 PM

BOARD APPLIC FEE	\$169.00
SYSTEMS DEV SURCH	\$10.14
DEV SERV CENTER SURCH	\$5.07
RESEARCH FEE	\$208.00
SYSTEMS DEV SURCH	\$12.48
DEV SERV CENTER SURCH	\$6.24

Sub Total: \$410.93

Receipt #: 0104005279